

By: Senator(s) Doty, Blount, Branning,  
Caughman, Gollott, Jackson (15th), McDaniel,  
McMahan, Jackson (11th)

To: Elections

SENATE BILL NO. 2689

1 AN ACT TO PROHIBIT THE USE OF CAMPAIGN CONTRIBUTIONS FOR  
2 PERSONAL USE AND; TO PROVIDE FOR THE DISPOSITION OF UNUSED  
3 CHAMPAIGN FUND; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** (1) The personal use of campaign contributions  
6 by any elected public office holder or by any candidate for public  
7 office is prohibited.

8 (a) For the purposes of this section, "personal use" is  
9 defined as any use, other than expenditures related to gaining or  
10 holding public office, for which the candidate for public office  
11 or elected public official would be required to treat the amount  
12 of the expenditure as gross income under Section 61 of the  
13 Internal Revenue Code of 1986, 26 USC Section 61, or any  
14 subsequent corresponding Internal Revenue Code of the United  
15 States, as from time to time amended.

16 (b) "Candidate" shall mean any individual described in  
17 Section 23-15-801(b), and shall include any person having been a



18 candidate until such time that the person takes office or files a  
19 termination report as provided in this section.

20 (c) "Officeholder" shall mean any elected or appointed  
21 official from the beginning of his or her term of office until  
22 that person no longer holds office.

23 (2) The following personal use expenditures are specifically  
24 prohibited under this section:

25 (a) Any residential or household items, supplies or  
26 expenditures, including mortgage, rent or utility payments for any  
27 part of any personal residence where a homestead exemption is  
28 claimed of a candidate or officeholder or a member of the  
29 candidate's or officeholder's family;

30 (b) Mortgage, rent or utility payments for any part of  
31 any nonresidential property that is owned by a candidate or  
32 officeholder or a member of a candidate's or officeholder's family  
33 and used for campaign purposes, to the extent the payments exceed  
34 the fair market value of the property usage;

35 (c) Funeral, cremation or burial expenses, including  
36 any expenses related to deaths within a candidate's or  
37 officeholder's family;

38 (d) Clothing, other than items of de minimis value that  
39 are used in the campaign;

40 (e) Automobiles, except for automobile rental expenses  
41 and other automobile expenses related to campaign or officeholder  
42 activity;



43           (f) Tuition payments within a candidate's or  
44 officeholder's family other than those associated with training  
45 campaign staff or associated with an officeholder's duties;

46           (g) Salary payments to a member of a candidate's  
47 family, unless the family member is providing bona fide services  
48 to the campaign. If a family member provides bona fide services  
49 to a campaign, any salary payments in excess of the fair market  
50 value of the services provided is personal use;

51           (h) Nondocumented loans of any type, including loans to  
52 candidates;

53           (i) Travel expenses except for travel expenses of a  
54 candidate, officeholder or staff member of the officeholder for  
55 travel undertaken as an ordinary and necessary expense of seeking,  
56 holding or maintaining public office, or for attending meetings or  
57 conferences of officials similar to the office held or sought, or  
58 for an issue the legislative body is or will consider, or  
59 attending a state or national convention of any party. If a  
60 candidate or officeholder uses campaign contributions to pay  
61 expenses associated with travel that involves both personal  
62 activities and campaign or officeholder activities, the  
63 incremental expenses that result from the personal activities are  
64 personal use, unless the person(s) benefiting from this use  
65 reimburse(s) the campaign account within thirty (30) days for the  
66 amount of the incremental expenses;



67 (j) Payment of any fines, fees or penalties assessed  
68 pursuant to Mississippi law.

69 (3) Any expense that directly results from campaign or  
70 officeholder activity is a specifically permitted use of campaign  
71 contributions. Such expenditures are not considered personal use  
72 expenditures and may include, but are not limited to, the  
73 following expenditures:

74 (a) The defrayal of ordinary and necessary expenses of  
75 a candidate or officeholder, including expenses reasonably related  
76 to performing the duties of the office held or sought to be held;

77 (b) Campaign office or officeholder office expenses and  
78 equipment, provided the expenditures and the use of the equipment  
79 can be directly attributable to the campaign or office held;

80 (c) Donations to charitable organizations,  
81 not-for-profit organizations or for sponsorships, provided the  
82 candidate or officeholder does not receive monetary compensation,  
83 other than reimbursements of expenses, from the recipient  
84 organization;

85 (d) Gifts of nominal value and donations of a nominal  
86 amount made on a special occasion such as a holiday, graduation,  
87 marriage, retirement or death, unless made to a member of the  
88 candidate's or officeholder's family;

89 (e) Meal and beverage expenses which are incurred as  
90 part of a campaign activity or as a part of a function that is  
91 related to the candidate's or officeholder's responsibilities,



92 including meals between and among candidates and/or officeholders  
93 that are incurred as an ordinary and necessary expense of seeking,  
94 holding or maintaining public office, or seeking, holding or  
95 maintaining a position within the Legislature or other publicly  
96 elected body;

97 (f) Reasonable rental or accommodation expenses  
98 incurred by an officeholder during a legislative session or a day  
99 or days in which the officeholder is required by his or her duties  
100 to be at the Capitol or another location outside the  
101 officeholder's county of residence. Such rental or accommodation  
102 expenses shall not exceed Fifty Dollars (\$50.00) per day, if the  
103 officeholder receives per diem, or One Hundred Ninety Dollars  
104 (\$190.00) per day, if the officeholder receives no per diem. Any  
105 expenses incurred under this paragraph (g) must be reported as an  
106 expenditure pursuant to this section;

107 (g) Communication access expenses, including mobile  
108 devices and Internet access costs, which are incurred as part of a  
109 campaign activity and operation to ensure that deaf and  
110 hearing-impaired citizens are fully participating, volunteering,  
111 and/or otherwise maintaining a position with the campaign  
112 committee. Examples of communication access expenses include, but  
113 are not limited to, the following: captioning on television  
114 advertisements; video clips; sign language interpreters;  
115 computer-aided real time (CART) services; and assistive listening  
116 devices;



117 (h) Legal fees and costs associated with any civil  
118 action, criminal prosecution or investigation related to conduct  
119 reasonably related to the candidacy or performing the duties of  
120 the office held.

121 (4) Upon filing the termination report required under  
122 Section 23-15-807, any campaign contributions not used to pay for  
123 the expenses of gaining or holding public office shall:

124 (a) Be maintained in a campaign account(s);

125 (b) Be donated to a political organization, or to a  
126 political action committee, or to another candidate;

127 (c) Be transferred, in whole or in part, into a newly  
128 established political action committee or ballot question  
129 advocate;

130 (d) Be donated to a tax-exempt charitable organization  
131 as that term is used in Section 501(c)(3) of the Internal Revenue  
132 Code of 1986, 26 USC Section 501, or any subsequent corresponding  
133 Internal Revenue Code of the United States, as from time to time  
134 amended;

135 (e) Be donated to the State of Mississippi; or

136 (f) Be returned to a donor or donors.

137 (5) Any candidate for public office or any elected official  
138 who willfully violates this section shall be guilty of a  
139 misdemeanor and punished by a fine of One Thousand Dollars  
140 (\$1,000.00) and by a state assessment equal to the amount of  
141 misappropriated campaign contributions. The state assessment



142 shall be deposited into the Public Employees' Retirement System.  
143 No fine or assessment imposed under this section shall be paid by  
144 a third party.

145 (6) Any contributions accruing to a candidate's or  
146 officeholder's campaign account before January 1, 2018, shall be  
147 exempt and not subject to the provisions of this Section 1. All  
148 exempt contributions must be designated as exempt on all reports  
149 filed with the Secretary of State pursuant to the provisions of  
150 this chapter.

151 (7) The Secretary of State, through the Elections Division,  
152 shall issue advisory opinions regarding any of the requirements  
153 set forth in this section. When any officeholder or candidate  
154 requests an advisory opinion, in writing, and has stated all of  
155 the facts to govern the opinion, and the Secretary of State has  
156 prepared and delivered the opinion with references to the request,  
157 there shall be no criminal liability accruing to or against any  
158 officeholder or candidate who, in good faith, follows the  
159 direction of the opinion and acts in accordance with the opinion,  
160 unless a court of competent jurisdiction, after a full hearing,  
161 judicially declares that the opinion is manifestly wrong and  
162 without any substantial support. No opinion shall be considered  
163 or issued if the opinion would be issued after judicial  
164 proceedings have commenced.

165 All advisory opinions issued pursuant to the provisions of  
166 this subsection shall be made public and shall be issued within



167 fourteen (14) days of the written request, or within fourteen (14)  
168 days of receipt by the Secretary of State of the written request,  
169 whichever is later. The identity of the individual making a  
170 request for an advisory opinion shall be confidential. The  
171 Secretary of State shall, so far as is practicable and before  
172 making the opinion public, make deletions and changes to any  
173 advisory opinion issued under the provisions of this subsection  
174 that may be necessary to ensure the anonymity of the public  
175 official and any other person named in the opinion.

176         **SECTION 2.** This act shall take effect and be in force from  
177 and after July 1, 2017.

